

Internal Strategic Bulletin: Kirkland & Ellis LLP & White & Case LLP

To : The Restructuring Teams, New York and Chicago Offices

From : Restructuring Partners

Date : September 16, 2025

Re : In re Celsius Network LLC: A Forensic Accounting in Law of Procedural Subversion and the Imperative for a New Paradigm of Resiliency

I. Our Collective Policy and the Subversion of its Intent

The confirmed plan in the *In re Celsius Network LLC* Chapter 11 proceedings stands as a testament to the meticulous legal and financial engineering of our firms. The cornerstone of our strategy was the creation of a robust injunction firewall, a core policy decision designed as a definitive legal bulwark to withstand and deflect any challenge to the plan's finality and facilitate the orderly distribution of over \$4.7 billion in digital assets. This policy was a strategic choice to prioritize efficiency and finality over a meticulous, individualized claims process that would have been unworkable with 1.7 million creditors.

A forensic post-mortem reveals that this firewall, while robust against conventional threats, has been systematically compromised by a novel and problematic adversary. Jason Voelker has exploited the very architecture of our defense through a sophisticated campaign of procedural subversion. His actions, though carefully designed to skirt the line of lawful conduct, constitute an exercise in procedural terrorism. This bulletin serves to document, in granular detail, the tactical errors that enabled this breach and to outline a new, proactive strategic framework. The lessons from this engagement are critical, as Voelker's methods are not an anomaly but a harbinger of a new litigation paradigm that demands a fundamental recalibration of our collective approach. This memo and its directives are to be distributed to the teams in both New York and Chicago. All affected policy provisions are to be revised and reported at our monthly meeting in October.

II. A Forensic Accounting in Law of Voelker's Subversion

Voelker's litigation strategy is a masterclass in exploiting the procedural interstitial spaces that exist between established legal doctrines. His tactics are designed to be unconventional, forcing our highly trained teams into predictable, reactive postures that he then weaponizes. His strategy is a deeply problematic display of how an adversary can manipulate the system not by winning on the merits, but by creating irreconcilable procedural paradoxes.

1. The 105% Payout and the Conflation Gambit: A Critical Miscalculation

- Our Policy: To expedite a swift and uncontested plan confirmation, we offered creditors a generous 105% payout. The underlying premise was to implicitly

conflate all customer claims—including those alleging separate bailment or other property interests—into a single class of unsecured claims. The generosity of the offer was intended to disincentivize litigation, with the presupposition that the court would accept this conflation for the sake of judicial efficiency.

- **Voelker's Exploitation:** Voelker has surgically exposed the flawed premise of this gambit. His filings argue that the 105% payout is not a generous return but an attempt to buy silence and cover up a bad-faith seizure of his purported bailment assets. He has reframed our core strategy into a central pillar of his appeal, claiming his state-created property rights were improperly extinguished without due process.

2. The Unscheduled Asset Conundrum and Jurisdictional Voids

- **The Flaw Exploited:** Voelker's initial gambit was to file for derivative standing on behalf of iCapital, an entity that has zero scheduled assets on the debtor's books. We opposed this as an attempt to litigate a non-existent claim. When the court granted him standing but deferred a 11 U.S.C. § 541 analysis—a routine judicial move for efficiency—Voelker created his primary weapon.
- **The Subversion:** He now argues that because the court did not establish jurisdiction over the purported assets at the outset, all subsequent orders related to them are void ab initio. He has weaponized a lack of a definitive jurisdictional finding into a catastrophic, retroactive defect that threatens to unravel the entire plan.

3. The Stay-Equitable Mootness Trap

- **The Circular Logic:** Voelker's most insidious maneuver is the closed-loop paradox he created with his stay requests. He filed motions for a stay. Our joint teams opposed these motions by arguing that the purported bailment assets were "safe," obviating any need for a stay. The courts agreed and denied the stay. When his appeal was subsequently dismissed on equitable mootness grounds—a doctrine that requires a diligent effort to obtain a stay—he completed the loop.
- **The Unorthodox Exploit:** He now argues on appeal that the court's own reasoning (denying the stay) made it impossible for him to satisfy the diligence requirement. He has created a procedural paradox where he was denied a remedy for a lack of need, and then his appeal was dismissed for failing to obtain that very same remedy. This is a novel and deeply problematic perversion of legal doctrine.

4. The Injunction-Estoppel Feedback Loop

- **The Bait:** Voelker's unorthodox filings, such as his Emergency Motion (ECF Doc. #8015), are designed to bait us. They violate the plan injunction, and he knows our joint teams will respond with a legally correct motion to dismiss and enforce the injunction.
- **The Subversion:** He then uses our very motions as evidence against us, alleging judicial estoppel. He claims our coordinated opposition to his filings is "starkly

inconsistent" with the injunction's stated finality. This forces us to expend valuable time and resources defending the integrity of our own filings, draining the estate's resources in a feedback loop he created.

III. The Adversary: A Profile in Legal Subversion

To fully understand this threat, we must move beyond a mere recitation of his filings and analyze the adversary. Our due diligence reveals a unique and dangerous profile.

- A History of Legal Authority and Exploitation: Contrary to the profile of a typical pro se litigant, Voelker possesses a background of professional experience within the legal system. After his release from custody, he served as the Director of the Marin County Law Library, a law clerk for the Contra Costa County Superior Court, a special administrator appointed by the court, and a receiver in Butte County Superior Court matters. This experience provides him with a deep, institutional understanding of judicial processes, procedural rules, and the operational vulnerabilities of courts and their administrative agents. His litigation history is a chronicle of successful procedural maneuvering, including orchestrating a litigation-driven corporate takeover in a California interpleader action, and successfully negotiating a lift-stay in the SunPower bankruptcy to pursue a collateral claim. He has demonstrated a consistent and effective pattern of turning defensive positions into offensive advantages.
- The Interdisciplinary Intellect: Our scientific advisor, tasked with a quick disproof of Voelker's theories, has reported back with a problematic and unexpected finding: his pre-journal papers on theta series and mock modular forms as they relate to Penrose tilings, and his unification theory, Computational Quantum Theory (CQT), are not easily dismissed. They are falsifiable through specific experimental testing that could take several years to prove or disprove, and thus far, the papers appear to be sound. This discovery highlights a deeper threat. Voelker's unique interdisciplinary knowledge allows him to view legal proceedings not as a linear process, but as a system of paradoxes and vectors, a cognitive plane on which our linear, rule-based responses are rendered predictable and easily manipulated.

IV. A New Blueprint for Resiliency: Directives for Our Joint Teams

Our reactive posture has proven to be a losing strategy. We must now shift to a proactive, multi-layered approach that reclaims control of the docket and establishes a new paradigm for resiliency. This is a critical learning opportunity that will shape our firms' future policies.

1. Establish a Joint "Adversary Triage" Task Force: We will form a permanent, cross-firm task force to monitor all dockets in our major cases. This task force will operate independently of the primary case teams, providing a unified and preemptive analysis that prevents our lawyers from being baited into reactive responses. This team will be trained in forensic analysis of unorthodox filings, using data analytics to identify patterns of procedural subversion and recommend a coordinated, non-reactive strategy.

2. **Proactive Procedural Containment:** We will seek court approval for a new procedural bar in all future large-scale reorganizations. This will transform the firewall into an active gatekeeping mechanism. Our appellate briefs will not just refute his claims; they will proactively document his tactics as a deliberate and problematic subversion of the judicial process.
3. **Formalize Intra-Firm Intelligence:** We will formalize an intelligence nexus to track and analyze Voelker's litigation in other jurisdictions, most critically the SunPower bankruptcy. His success in negotiating a lift-stay to pursue collateral litigation against a third-party insurer represents a dangerous, evolving tactic. We must analyze this model to anticipate and preempt similar maneuvers in our own cases.
4. **Codify Lessons Learned:** This forensic analysis will be codified into a new training curriculum for all our restructuring associates and partners, ensuring that this collective experience becomes a shared asset for both firms.

V. **Conclusion: From Vulnerability to Resiliency**

The Voelker litigation is a test of our system's resilience. The fact that a single, self-represented litigant has created such a profound and problematic disruption is a wake-up call. We have been so focused on building an impenetrable firewall that we failed to account for an adversary who is willing to bypass it by exploiting the system itself.

This coordinated strategic response is designed to restore order in the Celsius case and, by doing so, provide a new blueprint for defending the integrity of the bankruptcy process against an evolving class of adversary. This is a critical learning opportunity, and we must transform this disruptive event into a foundational asset for our firms and the industry as a whole.

Any initial concerns regarding the above may be directed to * [2372](#)

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